

December 19, 2018

To Whom It May Concern:

Company Name: Taisho Pharmaceutical Holdings Co., Ltd.
Head Office: 3-24-1, Takada, Toshima-ku, Tokyo
Representative: Akira Uehara, President and CEO
(First Section of TSE: Code 4581)
Contact: Hideki Iuchi, General Manager
Corporate Communications
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**Taisho Agreed To Acquire UPSA SAS, A French Pharmaceutical Manufacturer,
and its Business Assets, Owned by Bristol-Myers Squibb Company**

On December 19, 2018, Taisho Pharmaceutical Holdings Co., Ltd. (the “Company”) announced the entry into a Put Option Agreement relating to a Stock and Asset Purchase Agreement for a Company subsidiary, Taisho Pharmaceutical Co., Ltd. [Headquarters: Toshima-ku, Tokyo, CEO: Shigeru Uehara] (“Taisho” or “Purchaser”), to acquire all of the shares of UPSA SAS, a French pharmaceutical manufacturer, and its business assets (together with UPSA SAS, “UPSA”) (the “Transaction”). Under the Stock and Asset Purchase Agreement and related agreements (“Definitive Agreements”), Purchaser will acquire UPSA from Bristol-Myers Squibb Company [Headquarters: New York, United States of America, CEO: Giovanni Caforio, NYSE: BMY] (“BMS” or “Seller”). Upon the completion of the transaction, UPSA shall become a wholly-owned subsidiary of Taisho.

The Company’s board of directors authorized: (a) submission on December 5, 2018 of a proposal letter for a potential Transaction, and (b) negotiations with the Seller to enter into Definitive Agreements.

Signing of the transaction is subject to relevant legal proceedings, including works council consultation. Completion of the transaction is subject to receipt of certain regulatory approvals, including expiry of waiting periods under applicable anti-trust authorities in countries where UPSA does business.

1. Purpose of the Transaction

The mission and philosophy of Taisho Pharmaceutical Group (“Taisho Group”) is to contribute to society by creating and offering superior pharmaceuticals and health-related products as well as healthcare-related information and services in socially responsible ways. Through its products and services, Taisho Group seeks to enrich people’s lives by improving health and beauty. In order to accomplish this mission, Taisho Group continues to build the size and scale of its business as well as re-invest in its people and assets to maintain top-line and earnings growth, even in the face of global competition. As part of our efforts to strengthen our overseas business in self-medication, Taisho Group has been targeting Asian markets for expansion opportunities, where growth is supported by increasing populations and economic development.

In 2009, Taisho Group entered certain over-the-counter (“OTC”) pharmaceuticals markets in Asia through its acquisition from BMS of PT Bristol-Myers Squibb Indonesia Tbk (now known as PT Taisho

Pharmaceutical Indonesia Tbk) including OTC trademarks and related assets. Today, Taisho Group has been successful in further expanding into Indonesia, Thailand, Malaysia, Philippines, and Vietnam as well as Mexico. In addition to those markets, Taisho Group continues to drive growth of the self-medication franchise in markets where consumer awareness of the therapeutic benefits of self-medication continues to widen.

As a result of the contemplated acquisition of UPSA, Taisho Group would hold Dafalgan and Efferalgan (pain relief) and Fervex (cold and flu), among other top brands, and shall be honored to build upon UPSA's approximately 80-year tradition and history of creating and promoting widely-known and valued brands; and across Europe including France and East Europe, will benefit from established and growing lines of business in self-medication and other therapeutic classes.

Both UPSA (with sales in Europe) and the Company (with sales in Japan and Southeast Asia) have geographic complementarity with one another, and together aim to achieve sustainable growth by leveraging and investing in existing teams, assets and resources, including both entities' strengths in product & brand development and marketing know-how.

2. Overview of Taisho (a subsidiary of the Company)

(1) Company name	Taisho Pharmaceutical Co., Ltd.	
(2) Headquarters	3 -24-1, Takada, Toshima-ku, Tokyo 170-8633, Japan	
(3) Title and name of representative	Chief Executive Officer : Shigeru Uehara	
(4) Business description	Development, production, marketing, distribution and sales of over-the-counter pharmaceutical products, foods and general goods and development, production, marketing, distribution and sales of ethical pharmaceutical products	
(5) Share capital	29, 804 million JPY	

3. Overview of UPSA

(1) Company name	UPSASAS	
(2) Headquarters	3 rue Joseph Monier 92500, Rueil Malmaison, France	
(3) Title and name of representative	President : TEBOUL Philippe	
(4) Business description	Development, production, marketing, distribution and sales of over-the-counter pharmaceutical products	
(5) Share capital	852,102,814 Euro	
(6) Establishment	1935	
(7) Major shareholders and shareholding ratio	BMS Holdings Sarl : 100%	
(8) Relationship between the Company and UPSA	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable

(9) Business results and financial position over the last two fiscal years (※1)(※2)		
Fiscal year	FY2016 (Dec)	FY2017 (Dec)
Consolidated net assets	654.8mil USD	756.6mil USD
Consolidated total assets	820.6mil USD	945.4mil USD
Consolidated shareholders' equity per share (Approximate amount)	0.77 USD (※3)	0.89 USD (※3)
Consolidated net sales	436.0mil USD	481.1mil USD
Consolidated operating profit	64.7mil USD	88.5mil USD
Profit attributable to shareholders	66.7mil USD	66.3mil USD
Consolidated net earnings per share (Approximate amount)	0.08 USD(※3)	0.08 USD(※3)

(※1) Since BMS implemented re-organization to form current UPSA during FY2015, businesses and assets of previous UPSA in FY2015 should not be compared with current UPSA and both performance and financial position of previous UPSA in FY2015 haven't been disclosed by BMS.

(※2) The numbers are based on USGAAP. The numbers include 30.0 million USD in FY2016 and 24.4 million USD in FY2017 respectively as cost for operational supports provided by BMS.

(※3) The numbers are rounded off to two decimal places.

4. Overview of BMS (Parent company of the counter-party of the share acquisition)

(1) Company name	Bristol-Myers Squibb Company	
(2) Headquarters	345 Park Avenue, New York, N.Y. 10154, United States	
(3) Title and name of representative	Chairman of the Board & CEO : Caforio Giovanni	
(4) Business description	Discovery, development, production, marketing, distribution and sales of biopharmaceutical products	
(5) Share capital	221mil USD (As of September 30,2018)	
(6) Establishment	13 December, 1887	
(7) Consolidated net assets	13,750mil USD (As of September 30,2018)	
(8) Consolidated total assets	33,734mil USD (As of September 30,2018)	
(9) Major shareholders and shareholding ratio	Wellington Management Group LLP : 8.68%	
(10) Relationship between the Company and BMS	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Relationships with related parties	Not applicable

5. Overview of BMS Holdings Sarl (Counter-party of the share acquisition)

(1) Company name	BMS Holdings Sarl
(2) Major shareholders and shareholding ratio	Bristol-Myers Squibb Company : 100%

6. Number of shares to be acquired, acquisition price and state of share-holding before and after acquisition

(1) Number of shares held before transaction	0 (Number and ratio of voting right : 0.0%)
(2) Number of shares to be acquired	852,102,814
(3) Acquisition price	Acquisition Price of all issued shares and business assets of UPSA (Approximate amount) : 1,600 Million USD purchase prices (180 Billion JPY) (※1)(※2)
(4) Number of shares held after transaction	852,102,814 (Number and ratio of voting right : 100%)

(※1)TTM Rate: 1USD=112.51JPY on December 19, 2018, disclosure date of the Transaction

(※2)Purchase price including advisory fees (Approximate amount): 1,620 Million USD (182.3 Billion JPY)

7. Schedule

(1) Date of Board of Directors resolution (Power of attorney to President and Chief Executive Officer on submitting the bidding letter and agreement on the put option agreement on the Transaction)	December 5 th , 2018
(2) Date of put option agreement for stock and asset purchase agreement	December 19, 2018
(3) Date of stock and asset purchase agreement	By late June, 2019 (scheduled)
(4) Date of stock and asset purchase execution	By late June, 2019 (scheduled)

8. Future Outlook

Further announcement will be made immediately if the impact of the Transaction on the financial condition of the Company is clarified.